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DEPARTMENT OF STATE

[Public Notice 8670]

Designation and Determination under the Foreign Missions Act

Pursuant to the authority vested in the Secretary of State by the laws of the United States, including the Foreign Missions Act (codified at 22 U.S.C. 4301-4316) (hereinafter “the Act”), and delegated by the Secretary to me as the Under Secretary of State for Management in Delegation of Authority No. 198, dated September 16, 1992, and consistent with the Taiwan Relations Act (codified at 22 U.S.C. 3301-3316), I hereby determine that the Taipei Economic and Cultural Representative Office in the United States (hereinafter, “TECRO”), including its real property and personnel, is a “foreign mission” within the meaning of section 202(a)(3) of the Act (22 U.S.C. 4302(a)(3)).

TECRO consists of its primary office, located in the District of Columbia, and its subsidiary offices known as Taipei Economic and Cultural Offices, located in Atlanta, Boston, Chicago, Guam, Honolulu, Houston, Kansas City, Los Angeles, Miami, New York, San Francisco, Seattle, and such additional locations as may be

agreed upon between the American Institute in Taiwan (hereinafter, “AIT”) and TECRO.

I further determine that TECRO’s primary office in the District of Columbia used for the performance of TECRO’s authorized functions, and annexes to such office (including ancillary offices and support facilities), and including the site and any building on such site which is used for such functions, is a “chancery” for purposes of 22 U.S.C. 4306.

After due consideration of the benefits, privileges, and immunities provided to AIT, as well as matters related to the protection of the interests of the United States, on the basis of reciprocity between AIT and TECRO, I hereby designate the following as benefits for purposes of the Act:

- For TECRO designated employees, exemption from all taxes and dues imposed by state, county, municipality and territorial authorities in the United States in connection with the ownership or operation of a motor vehicle;

- For qualifying dependents of a TECRO designated employee, exemption from state, county, municipality and territorial sales or other similarly imposed consumption taxes in the United States, except those normally included in the price of goods and services, or charges for specific services rendered; and
- Exemption from state, county, municipal and territorial taxes in the United States (“real estate taxes”) – including, but not limited to, annual property tax, recordation tax, transfer tax, and the functional equivalent of deed registration charges and stamp duties – on the basis of real property’s authorized use for the performance of TECRO’s authorized functions and for which TECRO would otherwise be liable.

For purposes of this determination, the term “TECRO designated employees” means persons duly notified to and accepted by AIT as designated employees of TECRO at its primary office or one of its subsidiary offices, including the heads of such offices. It shall not apply with respect to any person who is a national of, or is permanently resident in, the United States.

I determine that TECRO is required to obtain the exemption of real estate taxes through the Department of State's Office of Foreign Missions (OFM) and that any tax exemption designated as a benefit in this determination shall be provided on such terms and conditions as OFM may approve. The manner in which an exemption from real estate taxes shall be extended by states, counties, municipalities, and territories shall also be subject to such terms and conditions as OFM may approve.

Following are the current terms and conditions governing the provision of exemptions from real estate taxes to TECRO on the basis of a property's authorized use for the performance of TECRO's authorized functions:

- Such property must be:
 - the premises of TECRO's primary office or one of its subsidiary offices, that is owned by TECRO's primary office, one of its subsidiary offices, the head of such an office, a component of such an office, or the authorities on Taiwan;
 - the primary residence of the head of TECRO primary office or one of its subsidiary offices, that is owned by TECRO's primary office, one of its

- subsidiary offices, the head of such an office, a component of such an office, or the authorities on Taiwan;
- the primary residence of a member of the staff of TECRO's primary office or one of its subsidiary offices, that is owned by TECRO's primary office, one of its subsidiary offices, a component of such an office, or the authorities on Taiwan;
 - a residence for temporarily lodging representatives or employees of the authorities on Taiwan who visit the United States in connection with the performance of TECRO's authorized functions, that is owned by TECRO's primary office, one of its subsidiary offices, a component of such an office, or the authorities on Taiwan; or
 - owned by TECRO's primary office, one of its subsidiary offices, a component of such an office, or the authorities on Taiwan for the purpose of constructing or renovating facilities that will be used for the performance of TECRO's authorized functions, provided that OFM authorized the acquisition of such property.
- The determination of TECRO's entitlement to an exemption from real estate taxes associated with a property of a type described above, on the basis of the property's authorized use for the performance of TECRO's authorized

functions, is committed to the discretion of the Department of State, in consultation with AIT. Such determinations are made by OFM and are communicated by letter to the relevant state, county, municipal or territorial revenue authorities.

- All such letters will be signed by the Director of OFM's Office of Diplomatic Property, Taxes, Services and Benefits (OFM/PTSB), or a successor office.
- Such letters serve as official notice to the relevant state, county, municipality, or territory that the described property, or acquisition or disposition thereof, is or is not entitled to an exemption from real estate taxes on the basis of the property's authorized use for the performance of TECRO's authorized functions.
- States, counties, municipalities, and territories are prohibited from extending to TECRO an exemption from real estate taxes associated with a property on the basis of the property's authorized use for the performance of TECRO's authorized functions, except on the basis of written authorization from OFM.

- Conversely, on the basis of a letter as described above, states, counties, municipalities, and territories are required to extend to TECRO an exemption from real estate taxes to which OFM determines TECRO is entitled. If a state, county, municipality or territory has concerns regarding the extension of such exemption benefits, then it should raise the matter directly with OFM.

- Unless otherwise determined by OFM, the effective date of OFM's authorization of an exemption from real estate taxes is the date the property deed in question is signed or transferred.

- States, counties, municipalities, and territories may establish additional procedures to ensure the proper extension of such exemption benefits, provided that:
 - such procedures, including the establishment and use of any forms, serve only to facilitate the state, county, municipality, or territory's extension of exemption benefits to TECRO and not as a means to determine the TECRO's entitlement to the exemption benefit associated with a property on the basis of the property's authorized use for the performance of

TECRO's authorized functions, which determination is committed to the sole discretion of the Department of State; and

- the state, county, municipality, or territory obtain written approval from the Director of OFM/PTSB confirming that the proposed procedural requirements do not violate or infringe on any benefits, privileges, or immunities enjoyed by TECRO.

Finally, I further determine that any state or local laws to the contrary are hereby preempted.

The exemption from real estate taxes provided by this designation and determination shall apply to taxes that have been or will be assessed against TECRO's primary office, one of its subsidiary offices, the head of such an office, a component of such an office, or the authorities on Taiwan with respect to property subject to this determination, and shall nullify any existing tax liens with respect to any covered property. This determination shall not require the refund of any taxes previously paid by TECRO's primary office, one of its subsidiary offices, the head of such an office, a component of such an office, or the authorities on Taiwan

regarding such property. These actions are not exclusive and are independent of alternative legal grounds that support the tax exemptions afforded herein.

The actions taken in this Designation and Determination are necessary to protect the interests of the United States and to adjust for costs and procedures of obtaining benefits for AIT.

Dated: March 09, 2014.

Patrick F. Kennedy
Under Secretary for Management

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